

ASSEMBLY BILL

No. 2011

Introduced by Assembly Member Gatto

February 23, 2012

An act to add Section 79784.5 to the Water Code, relating to the Safe, Clean, and Reliable Drinking Water Supply Act of 2012.

LEGISLATIVE COUNSEL'S DIGEST

AB 2011, as introduced, Gatto. CalConserve State Revolving Fund. Existing law creates the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters at the November 6, 2012, statewide election, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. The act would make \$250,000,000 available, upon appropriation by the Legislature from the Safe, Clean, and Reliable Drinking Water Supply Fund of 2012, for direct expenditures, grants, and loans for water conservation and water use efficiency plans, projects, and programs.

The bill would require up to \$50,000,000 of those water conservation and water use efficiency funds, upon appropriation by the Legislature from the fund, to be allocated to the Department of Water Resources to establish a CalConserve State Revolving Fund to provide grants and loans to private entities, consistent with the act, for water use efficiency retrofit projects.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature, in requiring the
2 establishment of the CalConserve program, to create a sustainable
3 funding source for water use efficiency retrofits. It is the further
4 intent of the Legislature that CalConserve help cities and counties
5 achieve compliance with water use reduction mandates in Section
6 10608.16 of the Water Code, and help homeowners and
7 commercial, industrial, and institutional entities achieve compliance
8 with state-mandated standards for water use efficiency for indoor
9 and outdoor appliances.

10 SEC. 2. Section 79784.5 is added to the Water Code, to read:

11 79784.5. Of the funds made available in Section ____ for water
12 conservation and water use efficiency plans, projects, and
13 programs, upon appropriation by the Legislature from the fund,
14 up to fifty million dollars (\$50,000,000) shall be allocated to the
15 department to establish the CalConserve State Revolving Fund to
16 provide grants and loans to private entities, including homeowners
17 and commercial, industrial, and institutional entities, as defined
18 in Section 10608.12, for water use efficiency retrofit projects,
19 consistent with Section ____, and in accordance with the following:

20 (a) The department shall give priority to awarding CalConserve
21 funds to retrofit projects that maximize local and statewide
22 conservation and water use efficiency benefits.

23 (b) The department shall award CalConserve funds in a
24 competitive process that considers, as primary factors, the local
25 and statewide conservation and water use efficiency benefits of
26 the projects proposed for grants or loans and the extent to which
27 a proposed retrofit helps a water supplier and the region realize
28 the conservation benefits of implementation of the state landscape
29 model ordinance and other statewide water use efficiency measures.

30 (c) For awards under five hundred dollars (\$500), the department
31 shall award the money directly to the recipient private entity. The
32 department may arrange with local water agencies for loan
33 repayment through monthly charges on the recipient's water service
34 bill. For loans of five hundred dollars (\$500) or more, CalConserve
35 shall offer very low interest amortized loans and loan guarantees,
36 which the department may model after the loan process for the
37 Safe Drinking Water State Revolving Fund Law of 1997 (Chapter
38 4.5 (commencing with Section 116760) of Part 12 of Division 104

1 of the Health and Safety Code). All loans shall be repaid within
2 six years of award.

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